

Rulemaking (R.) 20-07-013 Phase I Track 1

Technical Working Group (TWG) Meeting #3

May 6, 2021

9:30 AM - 4:00 PM



California Public
Utilities Commission

INTRODUCTIONS, SCHEDULE & PURPOSE OF THE MEETING

Purpose of Meeting & Expected Outcomes

Present Safety Policy Division staff's (Staff's) preliminary recommendations

on the Phase I Track 1 issues outlined in the November 02, 2020 Assigned Commissioner's Scoping Memo and Ruling (Scoping Memo)

Obtain feedback from TWG Members

on Staff's preliminary recommendations

Identify consensus & non-consensus items

Schedule for Upcoming Activities in R.20-07-013

- April 25th Sent out Phase I Track 2 Draft Staff Proposal to Technical Working Group (TWG)
- April 30th Sent out Phase I Track 1 Draft Staff Memo to TWG
- May 4th TWG Meeting to discuss Phase I Track 2 Draft Staff Proposal
- May 7th TWG informal written comments on Phase I Track 1 PG&E's Proposal on Transparency Guidelines
- May 11th TWG informal written comments on Phase I Track 2 Draft Staff Proposal
- End of May, Ruling Staff Recommendations Report on Phase I Track 1 and Track 2 for party comments
- Party Opening Comments on Ruling Mid – End of June
- Party Reply Comments on Ruling Late June – Early July
- August 6th Proposed Decision (PD) on Phase I Track 1 & Track 2 Issues
- August 26th Party Opening Comments on PD
- August 31st Party Reply Comments on PD

AGENDA ITEM	TIME
Introductions, Schedule & Purpose of the Meeting	9:30 – 9:45 am
<p style="text-align: center;">Part I</p> <p style="text-align: center;">Scoping Memo Issue (a): Mitigations and Controls & Issue (d): Foundational Elements</p>	
Staff Presentation	9:45 - 10:15 am
TWG Members' Remarks	10:15 - 11:00 am
Summary of Consensus & Non-Consensus Items	11:00 - 11:15 am
Break	11:15 - 11:25 am
<p style="text-align: center;">Part II</p> <p style="text-align: center;">Scoping Memo Issue (b): Public Safety Power Shutoff Events & Other Utility Activities with High Customer Impacts</p>	
Staff Presentation	11:25 - 11:45 am
TWG Members' Remarks	11:45 am - 12:20 pm
Summary of Consensus & Non-Consensus Items	12:20 - 12:30 pm
Lunch Break	12:30 – 1:00 pm

AGENDA ITEM	TIME
<p>Part III</p> <p>Scoping Memo Issue (c): Developing an RDF Multi-attribute Value Function</p>	
Staff Presentation	1:00 - 1:20 pm
TWG Members' Remarks	1:20 - 2:30 pm
Summary of Consensus & Non-Consensus Items	2:30 - 2:50 pm
Break	2:50 – 3:00 pm
<p>Part IV</p> <p>Scoping Memo Issue (f): Climate Change Impacts (Risks & Mitigations)</p>	
Staff Presentation	3:00 - 3:15 pm
TWG Members' Remarks	3:15 - 3:45 pm
Summary of Consensus & Non-Consensus Items	3:45 – 3:55 pm
Next Steps	3:55 – 4:00 pm

Part I

Scoping Memo Issue (a): Mitigations and Controls &
Issue (d): Foundational Elements

Part I: Mitigations and Controls

Scoping Memo Issue (a): Do the terms “mitigations” and “controls” need to be defined?

Should “mitigations” and “controls” be treated in the RDF using the same methodology?

- Commission Adopted definitions for the terms:
 - Mitigations: A measure or activity proposed or in process designed to reduce the impact/consequences and/or likelihood/probability of an event
 - Controls: A currently established measure that is modifying risk
- Utilities application of the term “controls” varied
 - Required vs. not required by law/regulation
 - Existing (baseline mitigation activities) in the record year prior to Risk Assessment and Mitigation Phase (RAMP) filing year

Part I: Mitigations and Controls Cont..

- Settlement Agreement did not mention the terms “controls” or “baselines”
- The Settlement Agreement specifies that the risk reduction by a risk mitigation will be measured as the difference between the values of the pre-mitigation risk score and the post-mitigation risk score. The Risk Spend Efficiency (RSE) scores should be calculated by dividing the mitigation risk reduction benefit by the mitigation costs estimate
- Concepts of baseline, baseline risk, or baseline risk profile
- The baseline refers to the existing level of risk at the start of the new General Rate Case (GRC) cycle.
- Consistent accounting for the expected risk reduction benefits from previously approved measures and/or programs that are not yet installed and/or implemented, or completed (i.e. in progress) by the time a utility submits its RAMP filing or GRC application

Part I: Mitigations and Controls

Staff Preliminary Findings & Recommendations

- Potential Issues: introduction of errors, including double counting, in the estimates of the effectiveness of proposed new risk mitigations, inaccurate prioritization & selections of mitigation measures/activities
- Discussion of scenarios/examples

Part I: Mitigations and Controls

Staff Preliminary Recommendations

Staff recommends that the Commission considers the following clarifying guidance for RAMP applications:

- Utilities should include in the baseline all actual and forecasted utility safety risks and risk reduction benefits via a total risk score, risk profile and risk map up to the start of the new GRC test-year, calculated using the most recent risk quantification framework or Multi-attribute Value Function (MAVF) for all safety mitigation measures and/or activities approved for the current GRC cycle that the utilities plan to implement before the new GRC test-year begins;

Part I: Mitigations and Controls

Staff Preliminary Recommendations cont..

- Utilities should exclude from the baseline approved mitigations and the associated risk reduction benefits that the utilities do not plan to implement before the new GRC cycle starts; and
- Utilities should include in the baseline any risk reduction benefits of mitigations that exceed the original Commission-approved scope or budget.

Part I: Foundational Elements

Staff Preliminary Recommendations

- Scoping Memo Issue (d.): How should the mitigation impact of data gathering (inspections and patrols) or foundational elements (technology tools) be estimated or measured in the RDF?
- Staff recommends that:
 - Utilities should exclude foundational activities or programs, which support mitigations but do not directly reduce the consequences or likelihood of risk events from the baseline costs and risk reduction benefits; and
 - Does not require utilities to calculate risk reduction scores and RSE scores on foundational programs or activities. Foundational programs or activities support or enable utility mitigation programs and/or improve utility operations but do not in and of themselves directly reduce safety risks.

TWG Members' Remarks

10:15 – 11:00 am

Summary of Consensus & Non-Consensus Items

11:00 – 11:15 am

BREAK 11:15 – 11:25 am

Part II

Scoping Memo Issue (b): Public Safety Power Shutoff Events and Other Utility Activities with High Customer Impacts

Part II: Public Safety Power Shutoff Events and Other Utility Activities with High Customer Impacts

Scoping Memo Issue (b.): How should public safety power shutoff events and other utility activities with high customer impacts be treated in the RDF?

- Presently, there is no guidance or methodology for how to score public safety power shutoff (PSPS) events relative to other mitigations in the MAVF.
- Prior direction from Resolution WSD-002 presumption of "very low implementation costs" when they stated "RSE is not an appropriate tool for justifying the use of PSPS" is no longer up to date.

Part II: Public Safety Power Shutoff Events and Other Utility Activities with High Customer Impacts Cont..

- In this year's WMPs, IOUs started estimating risks and costs of PSPS. Sempra will be the first RAMP with PSPS costs and risks considered.
- PSPS remains a measure of last resort.
- SPD does not currently propose any new guidelines or requirements for PSPS.

Part II: Public Safety Power Shutoff Events and Other Utility Activities with High Customer Impacts Staff Preliminary Recommendations

Staff recommends that the Commission directs utilities to include assessment of PSPS related risks in their RAMP applications.

Staff will evaluate the approach that will be applied for the first time to assess PSPS related risks in the upcoming 2021 San Diego Gas & Electric Company's RAMP application. Therefore, Staff is not recommending specific guidance on the treatment of PSPS related risks in the RDF proceeding at this time.

TWG Members' Remarks

11:45 am – 12:20 pm

Summary of Consensus & Non-Consensus Items

12:20 – 12:30 pm

LUNCH BREAK 12:30 - 1:00 pm

Part III

Scoping Memo Issue (c): Developing an RDF Multi-attribute Value Function

Part III: Developing an RDF Multi-attribute Value Function

Scoping Memo Issue (c.): Should the Commission identify any guiding principles, best practices, aspirational characteristics, and/or minimum requirements for developing an RDF Multi-attribute Value Function?

Part III: Developing an RDF Multi-attribute Value Function Cont..

- Problem Statement:
 - Is the current approach used by utilities to model wildfire risk appropriate?
 - Is power law probability distribution more appropriate to model wildfire risk?
 - If so, should the use of power law probability distribution be required to model model wildfire risk?

Part III: Developing an RDF Multi-attribute Value Function Cont..

- February 3, 2021 Technical Working Group (TWG) Meeting
 - MGRA presented white paper on appropriateness of using power law probability distribution to model wildfire risk
 - Oral feedback provided by parties
- Written informal feedback provided by TWG Members
 - No consensus reached

Part III: Developing an RDF Multi-attribute Value Function

Staff Preliminary Recommendations

- Staff recommends that the Commission
 - Directs utilities to explore the application of power law functions to model wildfire risks and, if they apply a different approach, provide a thorough explanation of why they chose an alternative function; and
 - Considers further *development of the RDF MAVF approach* in Phase II of this proceeding, which includes in scope a wide range of substantive changes to RDF technical requirements.

TWG Members' Remarks

1:20 – 2:30 pm

Summary of Consensus & Non-Consensus Items

2:30 – 2:50 pm

BREAK 2:50 – 3:00 pm

Part IV

Scoping Memo Issue (f): Treatment of Climate Change Impacts in the RDF Proceeding

Part IV: Consideration for Treatment of Climate Change Impacts in the RDF Proceeding

Scoping Memo Issue (f.): Other related clarifications as needed, Consideration for Treatment of Climate Change Impacts in the RDF Proceeding

- Phase II issues includes refining the RDF adopted in Decision (D.)18-12-014, including incorporating uncertainties relating to climate change risk drivers
- Utilities addressed climate change related risks in RAMP applications
- R.18-04-019 to consider how best to integrate climate change adaptation into the IOUs' existing planning and procurement processes in California to ensure the safety and reliability of utility operations.
- Pursuant to D.19-10-054, the IOUs must apply specific data guidance to all climate impact, climate risk, and climate vulnerability analyses with respect to their infrastructure assets, operations, and customer impacts.

Part IV: Consideration for Treatment of Climate Change Impacts in the RDF Proceeding Cont..

- Findings from climate change assessments indicate:
 - Climate change disproportionately impact the state's most vulnerable populations;
 - California energy system is vulnerable to climate change; and
 - dramatic changes are needed in the near and foreseeable future to achieve the State's greenhouse gas emissions reduction goals.

The 2018 Update to the Safeguarding California Plan. Available here: <http://resources.ca.gov/docs/climate/safeguarding/update2018/safeguarding-california-plan-2018-update.pdf>
The Statewide Summary Report of the 2018 California Fourth Climate Change Assessment Report (The 2018 State Summary Report) summarizes the results of peer-reviewed work sponsored by the California Natural Resources Agency and California Energy Commission. Available here: https://www.energy.ca.gov/sites/default/files/2019-11/Statewide_Reports-SUM-CCCA4-2018-013_Statewide_Summary_Report_ADA.pdf; <https://www.climateassessment.ca.gov/>

Part IV: Consideration for Treatment of Climate Change Impacts in the RDF Proceeding Cont..

- Climate change impacts with varying confidence levels
 - warming temperature, rising sea levels, declining snowpack, increasing intensity of heavy precipitation events, increasing frequency of drought, and increasing acres burned by wildfire
- Climate change potential risks
 - Health and safety
 - Damage to energy infrastructure
 - Performance of energy delivery system

Part IV: Consideration for Treatment of Climate Change Impacts in the RDF Proceeding

Staff Preliminary Recommendations

Staff recommends that the Commission considers refining the RDF adopted in D.18-12-014, in Phase II of this proceeding to develop a framework for identifying and quantifying risk drivers associated with climate change impacts, incorporating uncertainties associated with climate change as a risk driver, and estimating potential risk reductions that could result from implementing mitigation measures and/or activities

TWG Members' Remarks

3:15 – 3:45 pm

Summary of Consensus & Non-Consensus Items

3:45 – 3:55 pm

Next Steps

THANK YOU